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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 2-88

Jan. 13, 1988

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

USSR Production Targets Set for 1988. According to recent articles in the Soviet press, the following production plans have been announced. They are given here with the officially reported results for 1986. Data are in million tons.

Commodity	1988 Plan	1986 Actual
Grain	235.0	210.1
Oilseed crops	7.65	6.23
Sugar beets	92.4	79.3
Cotton fiber	2.55	2.65
Flax	0.449	0.366
Meat	18.9	18.1
Milk	105.5	102.2
Eggs (billions)	82.0	80.7

TEA

CHINA'S Tea Production Continues To Grow. China's 1987 tea output is estimated at 480,000 tons, 4 percent more than a year earlier and 11 percent more than the revised 1985 outturn of 432,000 tons, according to the U.S. agricultural counselor in Beijing. China's 1987 spring and fall tea crops both increased, although the larger fall crop fared better than the spring crop. China plans to expand tea production in 1988 to 510,000 tons and to 600,000 tons by 1990. Planners are counting on improved yields and policies favoring tea production. Among these policies are priorities in loans, fertilizer, fuel and transport facilities and better access to technical services for tea farmers.

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EXCHANGE Rec'd

JAN 26 1988

WOOD AND WOOD PRODUCTS

Trade Pact Could Open CANADIAN Markets for U.S. Plywood. On Jan. 2, 1988, President Reagan signed the Free Trade Agreement with Canada which finalizes an accord reached on Oct. 3, 1987. The basic agreement is to eliminate bilateral tariffs within 10 years and establish a binational panel to settle trade disputes. Under the fast track process, the Congress must act on the agreement within 90 legislative days after submission to Congress.

For plywood, the agreement links U.S. tariff reduction to acceptance by the Canadian Mortgage Housing Corporation (CMHC) of U.S. grade C-D plywood, a product which currently is prohibited entry into Canada by the product standards of that country. If CMHC accepts U.S. C-D plywood as a product eligible for use in CMHC-financed construction, the agreement calls for initiating reduction of tariffs on plywood. CMHC acceptance could lead to wider acceptance of this major U.S. product in the Canadian market. Further review is required if CMHC does not accept C-D plywood. The reduction in U.S. tariffs on plywood will be delayed until this aspect of the technical barriers to trade is resolved. Resolution could increase bilateral trade in plywood and enhance market development efforts in third country markets through the clarification of the product's structural properties. Clarification would be an important step toward harmonization of standards called for in the General Agreement on Tariffs and Trade. Other forest product issues, including the softwood lumber memorandum of agreement and export restrictions on logs, remain outside the purview of the Free Trade Agreement with Canada.

WEEKLY EXCHANGE RATE DEVELOPMENTS

During the first three trading days of the new year, the U.S. dollar bounced back from post World War II lows against the Japanese yen and West German mark. The dollar's slide was halted after coordinated intervention by the central banks of Japan, Western Europe and the United States. By the week's end, the exchange rate markets were stabilized above the record lows of the week earlier.

Currencies	Current rate	----Percent change from----		
	01/07/88	week 12/31/87	month 12/10/87	year ago 01/87
Argentine austral	3.5000	.00	.00	174.72
Australian dollar	1.4174	2.40	.21	-6.27
Brazilian cruzado	73.3400	2.01	10.70	376.04
Canadian dollar	1.2870	-.96	-1.39	-5.38
South African rand	1.9589	1.76	.68	-6.20
Thai baht	25.1900	.00	-.74	-2.90
British pound	0.5544	4.62	1.76	-16.51
French franc	5.5725	4.84	.42	-10.01
West German mark	1.6490	5.06	.88	-11.22
Japanese yen	129.4000	6.94	.19	-16.38
South Korean won	795.1000	.00	-.13	-7.50
New Taiwan dollar	28.4800	-.07	-2.29	-19.45

Exchange rates are spot as of 3 p.m. Eastern Time, January 7.

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of Jan. 7, 1988, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS
92. Turkey vegetable oil	Jan. 6, '88	80,000
91. Algeria barley malt	Dec. 30, '87	10,000
90. Iraq barley malt	Dec. 23, '87	5,000
89. Burundi barley malt	Dec. 16, '87	15,000
88. Lebanon wheat	Dec. 11, '87	150,000
87. Finland wheat	Dec. 9, '87	50,000 Sold 40,000
86. Mexico wheat	Dec. 2, '87	200,000
85. Zaire frozen poultry	Nov. 30, '87	7,000
84. China dairy cattle	Nov. 18, '87	3,000 head
83. Bulgaria barley	Nov. 17, '87	150,000 Sold 80,000
82. Bulgaria wheat	Nov. 17, '87	150,000 COMPLETE
	Jan. 4, '88	200,000
81. Gulf countries frozen poultry (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates)	Nov. 3, '87	16,000 Sold 250
80. Saudi Arabia frozen poultry	Nov. 3, '87	20,000
79. Hungary barley	Oct. 30, '87	100,000
78. Algeria vegetable oil	Oct. 22, '87	60,000 Sold 20,000
77. Morocco vegetable oil	Oct. 13, '87	60,000
76. Tunisia vegetable oil	Sept. 24, '87	60,000
75. Singapore frozen poultry	Sept. 24, '87	2,000 Sold 120
74. Near East table eggs (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, Yemen)	Aug. 27, '87	50 million eggs COMPLETE
73. Saudi Arabia dairy cattle	Aug. 27, '87	2,000 head Sold 960 head
72. Iraq barley	Aug. 10, '87	150,000 COMPLETE
	Dec. 28, '87	100,000
71. Brazil wheat	July 30, '87	300,000 Sold 66,000
70. Colombia wheat	July 30, '87	300,000 Sold 44,000
69. Israel wheat	May 29, '87	200,000
68. Bangladesh wheat	May 22, '87	100,000 COMPLETE
	July 8, '87	50,000 COMPLETE
	Aug. 12, '87	150,000 Sold 144,500
	Sept. 10, '87	300,000

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

67. Soviet Union wheat	Apr. 30, '87	4,000,000	COMPLETE
	Oct. 15, '87	65,000	COMPLETE
	Nov. 9, '87	2,400,000	COMPLETE
	Nov. 27, '87	2,350,000	Sold 2,349,800
66. Turkey rice	Apr. 3, '87	70,000	Sold 12,000
65. Colombia barley malt	Apr. 3, '87	15,000	
64. Iraq table eggs	Feb. 20, '87	189 million eggs	Sold 178 million
63. Canary Islands poultry	Feb. 9, '87	5,000	Sold 3,000
62. Nigeria wheat	Jan. 28, '87	500,000	
61. China wheat	Jan. 26, '87	1,000,000	COMPLETE
	Aug. 18, '87	1,000,000	COMPLETE
	Nov. 17, '87	1,000,000	COMPLETE
	Dec. 11, '87	1,000,000	Sold 700,000
60. Iraq wheat	Jan. 16, '87	800,000	COMPLETE
	Oct. 26, '87	1,000,000	Sold 257,000
59. Switzerland barley or sorghum	Jan. 16, '87	250,000	Sold 9,000
58. Poland wheat	Jan. 7, '87	500,000	COMPLETE
	July 2, '87	500,000	COMPLETE
	Dec. 1, '87	1,000,000	Sold 700,000
57. Poland barley or sorghum	Dec. 31, '86	200,000	COMPLETE
	Dec. 14, '87	500,000	
56. Romania wheat	Dec. 23, '86	250,000	
55. Iraq poultry	Dec. 22, '86	60,000	COMPLETE
	Oct. 2, '87	10,000	
	Nov. 25, '87	30,000	
54. Dominican Republic table eggs	Dec. 9, '86	25 million eggs	Sold 11.1 million eggs
53. Zanzibar wheat flour	Dec. 9, '86	20,000	Sold 6,000
52. Tunisia barley	Dec. 1, '86	150,000	
51. Gulf countries (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle	Oct. 30, '86	1,500 head	COMPLETE
	Aug. 27, '87	1,500 head	
50. West Africa (Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Gabon, Liberia, Niger, Togo) wheat	Oct. 30, '86	345,000	Sold 146,700
	June 15, '87	185,000	
49. Dominican Republic poultry	Oct. 29, '86	1,500	COMPLETE
48. Philippines barley malt	Oct. 20, '86	60,000	Sold 25,000
47. Cameroon wheat flour	Oct. 14, '86	20,000	
46. Romania barley	Sept. 24, '86	200,000	Sold 125,000
45. Venezuela barley malt	Sept. 4, '86	100,000	
44. Cyprus barley	Aug. 26, '86	150,000	Sold 118,000
43. Canary Islands wheat	Aug. 8, '86	100,000	

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

42. Egypt semolina	Aug. 6, '86 Sept. 29, 1987	30,000	Sold 23,000 Balance withdrawn
41. Soviet Union wheat	Aug. 1, '86	4,000,000	EXPIRED
40. Canary Is. dairy cattle	July 28, '86	3,000 head	Sold 2,985
39. Hong Kong table eggs	July 28, '86	44 million	COMPLETE
	Nov. 16, '87	48 million	COMPLETE
		eggs	
38. Senegal wheat	July 17, '86	100,000	COMPLETE
	Sept. 11, '87	110,000	
37. India vegetable oil	July 8, '86	25,000	COMPLETE
	Dec. 15, '87	300,000	Sold 20,000
36. Jordan barley	June 17, '86	60,000	COMPLETE
	Nov. 12, '86	100,000	
35. Israel barley	June 17, '86	200,000	COMPLETE
	Sept. 14, '87	200,000	Sold 73,324
34. Tunisia dairy cattle	May 29, '86	4,000 head	COMPLETE
33. Algeria dairy cattle	May 29, '86	5,000 head	COMPLETE
32. Sri Lanka wheat	May 16, '86	125,000	COMPLETE
	March 5, '87	95,000	Sold 85,000
	Aug. 20, '87	240,000	
31. Saudi Arabia barley	May 7, '86	500,000	COMPLETE
	Aug. 6, '86	250,000	COMPLETE
	Sept. 16, '86	300,000	COMPLETE
	Oct. 8, '86	200,000	COMPLETE
			(201,000)
	Jan. 5, '87	1,250,000	COMPLETE
	May 15, '87	500,000	COMPLETE
	Aug. 4, '87	500,000	COMPLETE
30. Algeria barley	Apr. 17, '86	500,000	Sold 408,000
29. Morocco dairy cattle	Apr. 16, '86	4,000 head	COMPLETE
	Dec. 8, '87	7,500 head	
28. Turkey dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
	June 18, '86	5,000 head	COMPLETE
	Nov. 18, '87	10,000 head	
27. Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
	Sept. 12, '86	10,000 head	Sold 3,681
	Oct. 19, '87		Withdrawn
26. Yemen poultry feed	Apr. 14, '86	150,000	Sold 111,468
	Dec. 1, '87	186,500	
25. Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
	June 24, '86	200,000	COMPLETE
	Oct. 7, '86	500,000	Sold 417,050
	Oct. 19, '87	500,000	
24. Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
	June 18, '87	8,000 head	COMPLETE
	Oct. 5, '87	8,000 head	Sold 4,000
23. Syria wheat	Apr. 8, '86	700,000	CANCELED

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

22. Benin wheat (remaining 15,000 tons transferred to West Africa)	Apr. 7, '86	45,000	COMPLETE
21. Algeria table eggs	Apr. 4, '86 Sept. 29, '87	500 million	eggs Withdrawn
20. Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 6,028
19. Jordan wheat	Mar. 19, '86	75,000	COMPLETE
	June 20, '86	75,000	COMPLETE
	Dec. 31, '86	225,000	COMPLETE
18. Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
	Aug. 22, '86	800,000	Sold 525,000
17. Algeria wheat flour	Feb. 25, '86	100,000	
	Sept. 29, '87		Withdrawn
16. Algeria semolina	Feb. 11, '86	250,000	Sold 30,000
	Oct. 9, '87	Allocation reduced	COMPLETE
	Oct. 9, '87	50,000	
15. Philippines wheat	Jan. 7, '86	150,000	COMPLETE (152,400)
	Aug. 10, '87	500,000	Sold 475,000
14. Zaire wheat	Dec. 27, '85	35,000	COMPLETE
	May 15, '86	45,000	COMPLETE
	Oct. 10, '86	40,000	COMPLETE
	July 16, '87	80,000	Sold 73,000
13. Nigeria barley malt	Dec. 10, '85	100,000	Sold 93,464
12. Iraq wheat flour	Dec. 9, '85	150,000	COMPLETE
	Jan. 7, '87	175,000	Sold 75,000
11. Egypt poultry	Nov. 26, '85	8,000	COMPLETE
	Mar. 21, '86	15,000	COMPLETE
	June 18, '86	5,000	COMPLETE
	July 8, '86	15,000	COMPLETE
	Dec. 19, '86	25,000	COMPLETE
	Feb. 27, '87	6,000	COMPLETE
10. Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
	May 15, '86	30,000	COMPLETE
9. Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
	Sept. 29, '87		Balance withdrawn
8. Jordan rice	Nov. 8, '85	40,000	Sold 53,700
	Jan. 13, '87	60,000	
7. Turkey wheat	Oct. 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	Sold 248,000
6. Morocco wheat	Sept. 30, '85	1,500,000	COMPLETE
	Dec. 9, '86	790,000	COMPLETE
	July 1, '87	500,000	Sold 830,000
	Nov. 23, '87	1,500,000	
5. Yemen wheat	Sept. 6, '85	100,000	COMPLETE
	Jan. 26, '87	100,000	COMPLETE
	Oct. 22, '87	100,000	

EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

4. Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
	Apr. 14, '86	100,000	COMPLETE
	May 18, '87	100,000	Sold 50,000
	Oct. 22, '87	100,000	
3. Egypt wheat	July 26, '85	500,000	COMPLETE
	Oct. 30, '85	500,000	COMPLETE
			(512,500)
	June 24, '86	500,000	COMPLETE
	July 29, '86	52,000	COMPLETE
	Oct. 8, '86	1,000,000	COMPLETE
	July 8, '87	500,000	COMPLETE
	Nov. 30, '87	1,000,000	Sold 509,500
2. Egypt wheat flour	July 2, '85	600,000	COMPLETE
	Aug. 6, '86	600,000	Sold 356,000
1. Algeria wheat (ex durum)	June 4, '85	1,000,000	COMPLETE
wheat (ex durum)	Apr. 10, '86	1,000,000	Sold 916,000
durum	Nov. 10, '86	300,000	COMPLETE
durum	Mar. 16, '87	300,000	COMPLETE
durum	July 24, '87	300,000	COMPLETE
durum	Oct. 29, '87	300,000	Sold 104,000
wheat (all)	Dec. 31, '87	1,000,000	

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced as of Jan. 7, 1988

Announced to Date* 48,796,090 tons grains and products (grain equivalent)
 356 million table eggs
 225,500 tons frozen poultry
 91,181 head dairy cattle
 585,000 tons vegetable oil

Sold to Date 29,746,059 tons wheat
 2,101,466 tons flour (grain equivalent)
 4,785,324 tons barley
 72,610 tons semolina (grain equivalent)
 157,948 tons barley malt (grain equivalent)
 139,000 tons sorghum
 65,700 tons rice
 111,468 tons poultry feed
 65,000 tons vegetable oil
 138,869 tons frozen poultry
 63,654 head dairy cattle
 330,950,820 table eggs

Total Sales Value: \$3,473.8 million
 Estimated Bonus Book Value: \$2,336.8 million
 Market Value of Awards: \$1,600.7 million

*Does not include withdrawn programs.

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Selected International Prices

Item	:	January 12, 1988	:	Change from	:	A year
	:		:	a week ago	:	ago
ROTTERDAM PRICES 1/						
		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5% 10/		154.50	4.20	-0-		151.00
U.S. No. 2 DNS/NS: 14%....		156.00	4.25	+3.00		138.00
U.S. No. 2 S.R.W.		153.00	4.16	+4.00		138.00
No. 3 H.A.D. 10/		164.00	4.46	-0-		154.00
Canadian No. 1 A: Durum 10/		170.00	4.63	-1.00		151.00
Feed grains:						
U.S. No. 3 Yellow Corn....		104.00	2.64	+2.00		83.00
Soybeans and Meal:						
U.S. No. 2 Yellow..... 11/		253.50	6.90	+1.80		200.85
Brazil 47/48% Soya Pellets 10/		252.00	--	-18.00		198.00
U.S. 44% Soybean Meal.....		227.00	--	-19.00		181.00
U.S. FARM PRICES 3/						
Wheat		104.34	2.84	+4.41		89.65
Barley.....		62.92	1.37	+0.46		N.Q.
Corn.....		68.90	1.75	+3.15		54.72
Sorghum.....		59.97	2.72 2/	+1.54		54.72
Broilers.....		1,067.03	--	+133.82		1,176.60
EC IMPORT LEVIES						
Wheat 5/.....		246.95	6.72	-7.98		217.15
Barley.....		233.33	5.08	-5.73		201.35
Corn.....		217.82	5.53	-8.33		194.40
Sorghum.....		226.89	5.76	-6.83		198.25
Broilers 4/ 6/ 8/.....		562.00	--	+5.00		470.00
EC INTERVENTION PRICES 7/ 9/						
Common wheat(feed quality)		222.81	6.06	-3.01		206.45
Bread wheat (min. quality)		234.13	6.37	-3.17		216.35
Maize.....		234.13	5.95	-3.17		216.35
Barley and all other feed grains, excluding maize.		222.81	--	-3.01		206.45
Broilers 4/ 6/.....		1,730	--	+16.00		1,517.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		N.A.	--	--		N.A.
Barley.....		N.A.	--	--		N.A.
Broilers 4/ 6/ 8/.....		466.00	--	-95.00		378.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ April/May delivery. 11/ February delivery. N.A.=None authorized. N.Q.=Not quoted. Note: Basis January delivery.